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SENATE BILL 2316 By
Cooper

HOUSE BILL 2848
By Phelan

AN ACT to amend Tennessee Code Annotated, Title 56, Chapter 5
and Title 56, Chapter 6, relative to rental car insurance.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 56-6-138, is amended by inserting the following new item immediately preceding the final item and by redesignating the final item accordingly:

(_) Insurance sold in connection with and incidental to rental agreements for a period not to exceed sixty (60) days.

(A) The policies of insurance which may be sold pursuant to this subdivision shall be limited to the following:

(i) Personal accident insurance for renters and other rental vehicle occupants, for accidental death or dismemberment, and for medical expenses resulting from an accident that occurs with the rental vehicle during the rental period;

(ii) Liability insurance that provides coverage to renters and to other authorized drivers of a rental vehicle for liability arising from the

operation of the rental car during the rental period. The liability insurance shall include uninsured motorist coverage in accordance with Title 56, Chapter 7, Part 12, and shall be primary over any other coverages which may be available to the renter or other authorized driver of the rental vehicle;

(iii) Personal effects insurance that provides coverage to renters and other vehicle occupants for loss of, or damage to, personal effects in the rental vehicle during the rental period; and

(iv) Roadside assistance insurance.

(B) Each limited insurance representative who makes application for, procures, negotiates or places for others any policy of insurance pursuant to this subdivision shall make written disclosures to the prospective renter, which shall be acknowledged in writing by the prospective renter that:

(i) State that the purchase of insurance is not required in order to rent a vehicle;

(ii) Disclose that the insurance policies offered by the limited insurance representative may provide a duplication of coverage already provided by a renter's personal automobile policy or by another source of coverage;

(iii) Identify the insurer; and

(iv) Itemize the costs for the insurance separately.

(C) Each limited insurance representative who makes application for, procures, negotiates or places for others any policy of insurance pursuant to this subdivision shall provide brochures or other written materials to the prospective renter that:

(i) Summarize, clearly and correctly, the material terms and conditions of coverage offered to renters; and

(ii) Describe the process for filing a claim in the event the renter elects to purchase coverage.

SECTION 2. Tennessee Code Annotated, Section 56-5-302(5), is amended by adding the following new subitem immediately following subitem (E):

(_) Insurance sold in connection with and incidental to rental agreements for a period not to exceed sixty (60) days.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.